

OPEN MEETING ITEM

COMMISSIONERS
KRISTIN K. MAYES - Chair
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DATE: FEBRUARY 12, 2010

DOCKET NO.: WS-04245A-04-0184

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane Rodda. The recommendation has been filed in the form of an Order on:

RED ROCK UTILITIES, L.L.C.
(EXTENSION OF TIME DEADLINE
CONTAINED IN DECISION NO. 67409)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

FEBRUARY 22, 2010

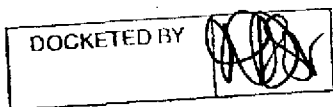
The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MARCH 2, 2010 AND MARCH 3, 2010

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

FEB 12 2010



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 KRISTIN K. MAYES - Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION
9 OF RED ROCK UTILITIES, L.L.C. FOR A
10 CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE TO A PORTION
OF PINAL COUNTY.

DOCKET NO. WS-04245A-04-0184

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 67409

11 Open Meeting
12 March 2 and 3, 2010
13 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 * * * * *

16 Having considered the entire record herein and being fully advised in the premises, the
17 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

18 **FINDINGS OF FACT**

19 1. On November 2, 2004, the Commission issued Decision No. 67409 which approved
20 the application of Red Rock Utilities, L.L.C. ("Red Rock" or "Company") for a Certificate of
21 Convenience and Necessity ("CC&N") to provide water and wastewater service in Pinal County.

22 2. As part of Decision No. 67409, the Commission ordered that:

23 "... Red Rock Utilities L.L.C. shall file a rate application for its water and wastewater
24 systems no later than three months following the fifth anniversary of this Decision."

25 3. Based on the November 2, 2004 date of Decision No. 67409, the deadline for filing
the rate application was February 2, 2010.

26 4. On December 28, 2009, Red Rock filed for an extension of time until August 3, 2012,
27 to file the required rate applications. In its request, the Company identified that the original master
28

1 developer of the Red Rock Village master-planned community sold the project to Pulte Homes, and
2 that due to that transaction, and the general effects of the recession and slowdown in the marketplace,
3 the pace of development has been slower than expected. Red Rock reports that its first water and
4 wastewater customer was not connected until August 3, 2007.

5 5. On February 5, 2010, The Commission's Utilities Division ("Staff") filed a
6 Memorandum that does not oppose the Company's requested extension.

7 6. Staff's investigation indicates that currently the Company has 527 customers in a
8 1,300 acre project that is zoned for a total of 3,900 units. The Company believes that the requested
9 extension will allow for a more representative Test Year, and also that the proposed extension date,
10 which is five years after the Company commenced service to its first customers, is consistent with
11 recent Commission decisions.

12 7. Staff concurs with the Company's reasoning. Staff believes the sale of the project and
13 the changing developmental landscape are legitimate explanations for the slower than anticipated
14 growth. Furthermore, Staff states that the proposed August 3, 2012, compliance date is consistent
15 with the Commission's current requirement of filing a rate case five years from the date of serving
16 the first customer rather than from the date of the Decision. For the foregoing reasons, Staff does not
17 object to the Company's request to extend the time for filing a rate application until August 3, 2012.

18 8. Under the circumstances, the requested extension is reasonable and should be
19 approved.

20 CONCLUSIONS OF LAW

21 1. Red Rock is a public service corporation within the meaning of Article XV of the
22 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

23 2. The Commission has jurisdiction over Red Rock and the subject matter of the request.

24 3. The requested extension of time is reasonable and should be approved.

25 ...

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27 ...

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...

ORDER

IT IS THEREFORE ORDERED that the deadline for Red Rock Utilities, L.L.C. to file rate cases, as required in Decision No. 67409 is extended to August 3, 2012.

IT IS FURTHER ORDERED that all other provisions of Decision No. 67409 shall remain in effect.

IT IS FURTHER ORDERED that no additional extensions of time shall be granted absent extraordinary circumstances.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Secretary of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this ____ day of _____, 2010.

ERNEST G. JOHNSON
EXECUTIVE SECRETARY

DISSENT _____

DISSENT _____

JR

1 SERVICE LIST FOR:

RED ROCK UTILITIES, L.L.C.

2 DOCKET NO.:

WS-04245A-04-0184

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